

IN RE: Application of Progress Energy Carolinas, ) ORDER APPROVING  
Inc. and Lynches River Electric Cooperative, ) REASSIGNMENT OF  
Inc. to Establish Electric Service Right. ) TERRITORY

In their Application, both PEC and Lynches River state that they have been granted assigned territories by the Commission to provide service in Chesterfield County, South Carolina. The Application reveals that a certain portion of the territory assigned to PEC in Chesterfield County is completely surrounded by territory assigned to Lynches River. The northern boundary of the territory in question is the center line of Lenson Mangum Road and is approximately 2380 feet long. The eastern boundary is the existing territorial line between PEC and Lynches River and is approximately 9500 feet long. The western boundary is the existing territorial line between PEC and Lynches River and is approximately 10,030 feet long. The southern boundary is parallel to and 600 feet north of the center line of Will Evans Road and is approximately 4335 feet long. According to

the Application, PEC has no existing customers in this area. In order to provide service to this area as economically and efficiently as possible and minimize the duplication of facilities installed to serve new premises in this area, Lynches River and PEC have determined and agreed that it would be prudent for this area to be reassigned to Lynches River. PEC and Lynches River believe reassignment of this area to Lynches River is both the most efficient and practical manner for providing service to new premises and is in the public interest.

Pursuant to the instructions of the Commission's Docketing Department, the two parties were instructed to publish a Notice of Filing in newspapers of general circulation in the affected service area. An affidavit was furnished by the parties to show compliance with this instruction of the Docketing Department. No Protests or Petitions to Intervene were filed.

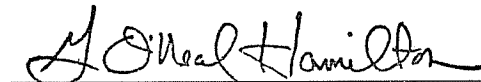
The Office of Regulatory Staff ("ORS") stated that it had no objections to the filing. ORS did note that it had observed the existence of a PEC power line extending through the area requested for reassignment. ORS notes that since this power line could carry or claim associated corridor rights, subsequent service provisions in this particular area could potentially be affected. ORS states that it has discussed this matter with PEC, and the Company has agreed to relinquish any corridor rights to the portion of this line located in the area that is the subject of this reassignment. This agreement is duly noted.

S.C. Code Ann. Section 58-27-650 (Supp. 2006) authorizes this Commission, upon agreement of the affected electric suppliers, to reassign to one electric supplier any area or portion of the area assigned to another. Accordingly, we approve the parties'

territorial agreement in this instance and grant reassignment of the PEC territory described above to Lynches River. As per its agreement, however, PEC has relinquished any corridor rights to the portion of the described line located in the area that is the subject of this reassignment. We believe that the reassignment is in the public interest and is the most efficient and practical way to provide service to new premises in the area. We believe that the reassignment makes practical sense under these circumstances.

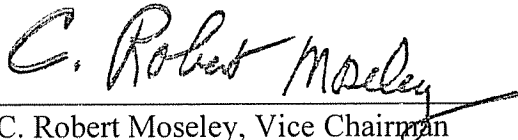
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)